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**U.S. CHARGES SOUTH KOREAN NATIONAL WITH RECEIVING
MILLIONS OF DOLLARS AS UNREGISTERED AGENT OF IRAQ FOR
WORK ON THE UNITED NATIONS' OIL-FOR-FOOD PROGRAM**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and JOHN KLOCHAN, the Acting Assistant Director in Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), announced the unsealing of criminal charges against TONGSUN PARK, a South Korean citizen, in connection with PARK's participation in a conspiracy to act in the United States as an unregistered agent of the Government of Iraq and, in particular, to assist the Iraqi Government with respect to the creation of the United Nations' Oil-for-Food Program. The charges are contained in a criminal Complaint filed under seal on March 21, 2005, but unsealed today in Manhattan federal court. Based on the Complaint, a warrant has been issued for PARK's arrest.

According to the Complaint, beginning in or about October 1992, PARK and another individual, who is now a cooperating witness ("CW-1"), agreed to work together on behalf of the Government of Iraq to promote a program under which Iraq – then the subject of

United Nations sanctions imposed following Iraq's 1990 invasion of Kuwait – could sell limited quantities of oil, and use the proceeds of those oil sales to purchase humanitarian goods for the benefit of the Iraqi people. CW-1's role in this scheme was to serve as the intermediary between, among others, the Government of Iraq and former U.S. Government officials who had access to current U.S. Government officials. PARK's role was to serve as the intermediary to United Nations officials, including a high-ranking United Nations official ("the U.N. Official"). In his capacity as the Iraqi Government's liaison to the United Nations, PARK arranged meetings during 1993 between himself, the U.N. Official, and CW-1, including one such meeting at the U.N. Official's Manhattan apartment. In addition, PARK and CW-1 arranged a 1993 meeting in Geneva, Switzerland, between the U.N. Official and two representatives of the Government of Iraq.

As set forth in the Complaint, following these meetings, PARK and CW-1 continued to negotiate with high-ranking United Nations officials regarding the terms and conditions of a potential oil-for-food agreement between Iraq and the United Nations. CW-1 apprised the former U.S. Government officials about the progress being made in these negotiations with the United Nations officials. In part as a result of these negotiations, the Security Council of the United Nations adopted Resolution 986 on April 14, 1995, which authorized Iraq to sell oil and to use the proceeds of those oil sales to purchase humanitarian goods for the benefit of the Iraqi

people, all under the supervision of the United Nations. Iraq consented to Resolution 986 only after more than a year of negotiations as to the particular methods by which the Resolution was to be implemented. From 1996 through 2003, Iraq sold vast quantities of oil in connection with the United Nations' Oil-for-Food Program, under terms and conditions that PARK had helped to obtain for the Government of Iraq.

As alleged in the Complaint, PARK received at least \$2 million from the Government of Iraq as compensation for his efforts with CW-1 on behalf of the Government of Iraq. A large portion of the payments to PARK allegedly were in the form of cash that was delivered by means of diplomatic pouches to representatives of the Government of Iraq in Manhattan for PARK's ultimate benefit. It was allegedly understood, among PARK, CW-1, and the representatives of the Government of Iraq, that some of the money PARK received from the Government of Iraq would be used by PARK to "take care" of the U.N. Official.

According to the Complaint, at no time during the course of conducting these activities in the United States on behalf of the Government of Iraq did PARK register as an agent of the Iraqi Government with the Attorney General, as required by federal criminal law.

If convicted of the charges contained in the Complaint, PARK faces a maximum sentence of five years in prison, a maximum fine of \$250,000, or twice the gross pecuniary gain or loss as a result of the offense, and two years' supervised release.

Mr. KELLEY praised the Federal Bureau of Investigation, Criminal and Counterintelligence Divisions. He also expressed appreciation to the United States Treasury Department, Office of Foreign Assets Control, and the Internal Revenue Service, Criminal Investigations Division, for their assistance in this investigation.

Assistant United States Attorneys EDWARD O'CALLAGHAN, STEPHEN MILLER, and MICHAEL FARBIARZ are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.